# GOVERNMENT OF INDIA
# MICRO, SMALL AND MEDIUM ENTERPRISES
# LOK SABHA

UNSTARRED QUESTION NO:2248
ANSWERED ON:21.07.2009
EMPLOYMENT GENERATED UNDER PMEGP
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**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

(a) the number of unemployed youths provided employment under the Prime Minister's Employment Generation Programme (PMEGP) including SCs, STs and OBCs during each of the last three years, State-wise;

(b) the total funds allocated in this regard during the said period, State-wise;

(c) whether the allocated funds were fully disbursed and utilised?

(d) if not, the reasons therefor and the steps being taken to ensure full disbursement of allocated funds;

(e) whether the Government is aware that educated unemployed youth are unable to reap the benefits under PMEGP; and

(f) if so, the reasons therefor and the remedial steps taken thereon to make the scheme more effective?

## Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a)to(d): The Union Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has launched the 'Prime Minister's Employment Generation Programme' (PMEGP) in 2008-09 by merging existing employment generation programmes namely Rural Employment Generation Programme (REGP) and Pradhan Mantri Rozgar Yojana (PMRY) of this Ministry. It is a significant initiative with a higher level of subsidy to beneficiaries compared to earlier two programmes, to generate additional employment opportunities (around 38 lakh) during 2008-09 to 2011-2012 with a total proposed plan outlay of Rs. 4735 crore including Rs. 250 crore for backward and forward linkages. Under this credit-linked subsidy programme, financial assistance is provided to the entrepreneurs including unemployed youth for setting up micro-enterprises costing upto Rs. 10 lakh each in service/business sector and Rs. 25 lakh each in manufacturing sector. An amount of Rs. 823 crore (including Rs. 83 crore towards backward-forward linkages) was released by the

Ministry to KVIC during 2008-09 with the following breakup as regards Special Component Sub-plan (SCSP), Tribal Sub-plan(TSP), etc.:

| (Rs. crore) | |
|---|---|
| Non-NER | 547.05 |
| NER | 85.00 |
| SCSP | 123.45 |
| TSP | 67.50 |
| Total | 823.00 |

Further, PMEGP was approved in August 2008. Detailed guidelines of PMEGP are available in the Ministry's website: www.msme.gov.in. In view of the coming into effect of the model code of conduct due to assembly elections in some States and General Elections 2009, the District Task Force Committees (DTFC) in many States could not be constituted in time and all the 217762 applications received during 2008-09 could not be screened by DTFC. As a result, the entire margin money allocated for the year 2008-09 could not be fully utilised by 31 March 2009. State-wise margin money subsidy allocated by KVIC to the implementing agencies, their tilization and estimated employment opportunities generated including SCs, STs and OBCs during 2008-09 (provisional) under PMEGP is at Annex.

(e) & (f): Tremendous response has been generated in terms of 2.17 lakh applications received in only a few months of effective time available in 2008-09, which also include educated unemployed youth. Ministry of MSME is not yet aware of any specific reasons for educated unemployment youth not being able to take benefits under PMEGP. The progress of the scheme is being monitored regularly by the nodal agency i.e., KVIC and in the National Level Monitoring Committee in the Ministry. State Governments have also been requested to closely monitor the implementation of the scheme at their level.